

12th Annual

Emerging Trends in Fraud Investigation & Prevention Conference

May 21-22, 2012

Hilton Columbus at Easton

Presented by:

Auditor of State Dave Yost · Attorney General Mike DeWine

Central Ohio Chapter of Certified Fraud Examiners

The Ohio Society of CPAs · Franklin University



www.ohioauditor.gov

www.skinnyohio.org



Dave Yost

Auditor of State



Dear Colleague:

We are pleased to invite you to the 12th Annual Emerging Trends in Fraud Investigation and Prevention Conference, May 21-22, 2012, at the Hilton Columbus at Easton. The Ohio Auditor of State's Office partners with the Central Ohio Chapter of Certified Fraud Examiners to present this popular and informative anti-fraud seminar.

This annual conference is one of Ohio's premier seminars on fraud detection, deterrence and investigation. As a participant, you will hear from highly trained anti-fraud specialists who will share the most up-to-date tools and current trends for detecting and preventing fraud.

Please join us in May at the 12th Annual Emerging Trends in Fraud Investigation and Prevention Conference.

Sincerely,

Dave Yost
Ohio Auditor of State

Heinz Ickert, CPA, CFE, CFF, CVA

Heinz Ickert
President, Central Ohio Chapter
of Certified Fraud Examiners

Register at www.ohioauditor.gov

Click on: Training/conferences

	Early bird registration on or before May 7, 2012	Regular registration after May 7, 2012
Government Employee	\$195.00	\$220.00
Private Sector Employee	\$225.00	\$250.00

Make checks payable to Ohio Treasurer of State Josh Mandel

Mail payment to: **Ohio Auditor of State Dave Yost**
Attn: Fiscal Department
88 E. Broad St., 4th Floor
Columbus, OH 43215

We now accept Visa and Mastercard!

Please visit the Auditor of State's website to view the complete registration details and cancellation and refund policy.
(Please include a copy of the e-mail registration confirmation with payment.)

CONTINUING EDUCATION:

The Fraud Conference offers 750 minutes of professional education opportunity. CPAs can apply 16 CPE hours to their certification. Other professional certifications should be calculated by individual requirements. This conference will apply for CLE hours.

www.hiltoncolumbus.com

Hilton Columbus at Easton
3900 Chagrin Drive,
Columbus, Ohio, 43219
Tel: 1-614-414-5000
Fax: 1-614-414-5100

North: 71 SOUTH TO 270 EAST
TO THE MORSE RD EXIT 32
RIGHT ON MORSE RD
LEFT ONTO STELZER RD

West: 70 EAST TO I-670 E
TO I-270 N EXIT 33 EASTON
LEFT ON EASTON WAY
RIGHT ON STELZER RD

South: 71 NORTH TO I-670 E
TO I-270 N TO EXIT 33 EASTON
LEFT ON EASTON WAY
RIGHT ON STELZER RD

East: 70 WEST TO I-270 N TO
EXIT 33 EASTON
LEFT ON EASTON WAY
RIGHT ON STELZER RD



12th Annual

Emerging Trends in Fraud Investigation & Prevention Conference

Schedule of Events - Monday, May 21, 2012

DAY 1

Current Issues

Investigative

Accounting /Auditing

Legal

Special Topics

8:00 - 9:00 am

REGISTRATION / CONTINENTAL BREAKFAST

9:00 - 10:30 am

OPENING REMARKS
GENERAL SESSION: GARY ZEUNE - RED COLLAR CRIME

10:45 am- 12:00 pm

Workshop 1

Business Ethics

Workshop 2

Our Own Worst Enemy:
How Criminals Use Us All
to Steal the Money

Workshop 3

No Reviews and a \$2,000
Pair of Shoes

Workshop 4

Impeachment:
"He Did WHAT???"

Workshop 5

Data Mining Techniques for
Fraud Detection

12:00 - 1:30 pm

LUNCHEON SPEAKERS: AUDITOR OF STATE DAVE YOST - WELCOME
MASON EVANS - SOCIAL MEDIA: A FRONTIER OF EVIDENCE

1:45 - 3:00 pm

Workshop 6

Busted Again: How Social
Media Uncovered Violation
of Court Order

Workshop 7

Contract & Construction
Fraud:
How to Prove a Kickback

Workshop 8

Small Business Fraud

Workshop 9

Home Health Fraud -
Trends in Detection and
Investigation

Workshop 10

Leveraging Legal
Technology in Forensic
Accounting Work

3:15 - 4:30 pm

Workshop 11

Emerging Trends
in Fraud Investigation
Panel Discussion

Workshop 12

Foundations of a
Successful Investigation

Workshop 13

Construction Fraud:
A Case Study

Workshop 14

Money Laundering

Workshop 15

You Sent What Where?
Taking the Mystery out of
Money Transfer Systems

12th Annual

Emerging Trends in Fraud Investigation & Prevention Conference

Schedule of Events - Tuesday, May 22, 2012

DAY 2

Current Issues

Investigative

Accounting/ Auditing

Legal

Special Topics

7:30 - 8:30 am

REGISTRATION / CONTINENTAL BREAKFAST

8:30 - 10:00 am

GENERAL SESSION: RANDY WALKER
HOW TO ACCURATELY DETECT DECEPTION FROM NON-VERBAL BEHAVIOR

10:15 - 11:30 am

Workshop 16

Cleveland Academy of Math,
Science and Technology –
A Case Study in Fraud

Workshop 17

Utilizing Analytical Products
to Enhance Your Case

Workshop 18

The BCI Teamwork
Approach to Financial
Investigations

Workshop 19

Role of the Accountant
as an
Expert Witness

Workshop 20

Ethics in Government:
A Case Study on
Cuyahoga County

11:30 am - 1:00 pm

LUNCHEON SPEAKER: DETECTIVE CRAIG CATLIN - IRS TAX REFUND FRAUD

1:00 - 2:15 pm

Workshop 21

Gang Fraud

Workshop 22

Financial Exploitation
of the Elderly

Workshop 23

Not for Profit Fraud

Workshop 24

Legal Issues
from the Frontlines

Workshop 25

Public Corruption & Fraud
& Their Impact on Current
Economic Trends

2:30 - 3:45 pm

Workshop 26

RICO Today

Workshop 27

Insurance Fraud
Investigations

Workshop 28

Data Mining: Finding the
Needle in the Haystack

Workshop 29

Integrating New and Old
Investigative Techniques into
Effective Trial Evidence

Workshop 30

State of the Threat:
A High Level Look at the
Threatscape

General Sessions

General Session: May 21, 2012 : Red Collar Crime **Speaker:** Gary Zeune, The Pros & The Cons, LLC

Description: Ever heard “Desperate people do desperate things?” Fraud is not just about money or the numbers being wrong. Find out what happens in extreme cases. Zeune will cover white collar criminals who go beyond manipulating the accounting records and spending the stolen money.

Luncheon: May 21, 2012 : Social Media: A Frontier of Evidence **Speaker:** Mason Evans, Interhack Corporation

Description: Evidence takes many forms. What are some uses of social media? How do people use social media? What are the implications for evidence? How can proper records for evidentiary purposes be created and what pitfalls should be avoided?

General Session : May 22, 2012 : How to Accurately Detect Deception from Non-Verbal Behavior **Speaker:** Randy Walker, True Find Polygraph Services, LLC

Description: Experts often note that two-thirds of all communication exhibited during an interview is non-verbal. No matter how hard a subject may try to hide deception, his/her efforts will fail if the Interviewer knows what to look for. We will show you not only what to look for but how to properly analyze the difference between general nervous tension and attempts at deception.

Luncheon: May 22, 2012 : IRS Tax Refund Fraud **Speaker:** Detective Craig Catlin, Gang Unit Detective, North Miami Beach Police Department

Description: Criminals across the country are raking in billions of dollars in tax refunds through a shameless new form of fraud that takes advantage of the IRS’s fast online returns. Use of laptops and free Wi-Fi connections allow criminals to steal identities and file fraudulent online tax returns using the names of legitimate taxpayers. Hear how this popular tactic, now replacing drug dealing in neighborhoods, is so easy, “It’s like the federal government putting crack cocaine into candy machines.” See how Detective Craig Catlin and the North Miami Beach Police Department are combatting this issue, and what’s being done to prevent this from happening to you.

Workshop Descriptions Day 1

Workshop 1 Title: Business Ethics **Speaker:** Heinz Ickert, President, ACFE - Central Ohio Chapter

Description: This session will be a discussion of business ethics and challenges. **This course will meet CFE requirements for the year.**

Workshop 2 Title: Our Own Worst Enemy: How Criminals Use Us All to Steal the Money **Speaker:** Matt Gilligan, Vice President - Global Security & Investigations Manager; Melissa Smart, Vice President - Global Security & Investigations, JP Morgan Chase Bank

Description: Criminals have adapted with great speed and agility to the rapid evolution of technology in our lives. This workshop will enlighten you to how the availability of information and inexpensive technology, paired with fierce competition between banks to be on the cutting edge of products and service, has changed the ways through which criminals steal money from banks.

Workshop 3 Title: No Reviews and a \$2,000 Pair of Shoes **Speaker:** Stephen Flickinger, Senior Audit Manager - Toledo Region; Donna Waldron, Assistant Chief Auditor - Special Audits, Ohio Auditor of State’s Office

Description: Case Study from the Auditor of State’s Special Audit Section and Toledo Region. This session will provide details on the seven ways in which a former bookkeeper misappropriated funds for personal use. The presentation will walk participants through each scheme, with exhibits and examples provided.

Workshop 4 Title: Impeachment: “He Did WHAT???” **Speaker:** Bob Smith, Assistant Chief Legal Counsel, Ohio Auditor of State’s Office

Description: This presentation is a guidebook as to how you can strengthen your case by using the other side’s other bad acts against them. It provides a review of the Rules of Evidence and case law relating to the admissibility of other acts of a party to a criminal or civil suit.

Workshop Descriptions Day 1 *(continued)*

Workshop 5 Title: Data Mining Techniques for Fraud Detection **Speaker:** David Sems, CEO, Sems & Associates, LTD.

Description: When companies are faced with investigations or disputes they often need to rely on a key source of information to make decisions- the electronically stored data that resides on their accounting and transactional systems. However, this data can be in multiple locations, extremely large and in varied formats making it difficult for effective and efficient review. In this discussion we will learn some of the latest techniques in computer forensic and transactional data analytics. This course can help you better find “needle in the haystack”. Learn how you can apply new techniques, including fuzzy string matching, link analysis, text mining, trend analysis, self-organizing maps and cluster analysis, to help your clients discover patterns and anomalies in huge sets of disparate data.

Workshop 6 Title: Busted Again: How Social Media Uncovered Violation of Court Order **Speaker:** Mason Evans, Interhack Corporation

Description: When forensic analysis of computer systems established that a former employee took a company’s internal information for his use in joining a competing firm, he had little choice but to settle with his former employer and to abide by an order preventing him from talking to his former employer’s customers. When he violated the court’s order, social media showed it happening. This case study shows how social media can be an important source of information in investigations and enforcement.

Workshop 7 Title: Contract & Construction Fraud: How to Prove a Kickback **Speaker:** Stephen Nelder, Managing Director, Fraud Solutions, LLC

Description: In this presentation you will learn the steps needed to prove a kickback case within the organization and outside of the organization. You will learn how to spot the red flags of construction fraud and many of the common schemes used to commit construction fraud. You will also learn some of the more common public record searches used in the investigation.

Workshop 8 Title: Small Business Fraud **Speaker:** Heinz Ickert, President, ACFE - Central Ohio Chapter

Description: This basic to intermediate level course will discuss fraud as it impacts small businesses. We will discuss recent trends observed in small business fraud including schemes and methods of detection. We will also discuss how small business people and their auditors or accountants should ideally react to suspicions of fraud within their organizations.

Workshop 9 Title: Home Health Fraud – Trends in Detection and Investigation **Speaker:** Lloyd Early, Deputy Director, Medicaid Fraud Control Unit, Ohio Attorney General’s Office

Description: This presentation will offer a 30-year retrospective on the expansion of home and community-based services programs, with a focus on emerging trends in home health fraud. Through the use of case studies, we will enumerate the various schemes by which home health providers defraud insurers, and we will address the strategies and techniques that have proven effective for the Attorney General, both in the identification of aberrant providers and the investigation of alleged fraud.

Workshop 10 Title: Leveraging Legal Technology in Forensic Accounting Work **Speaker:** David Sems, CEO, Sems & Associates, LTD.

Description: Today’s corporate environment has become inundated with information, with yesterday’s bankers boxes and cabinets joined by servers, personal computers, tablets and laptops filled with spreadsheets, documents, presentations and e-mail. Forensic Accountants and Investigators need to search all this data. While once a massive undertaking, pinpointing anomalies and related data is easier now given the application of advanced technology. Learn about technology that can enable finite search and analysis across broad volumes of disparate data. This session will provide an overview of the various tools and how they may be applied within technology investigations.

Workshop 11 Title: Emerging Trends in Fraud Investigation Panel Discussion

Description: This panel discussion will cover emerging trends in fraud, a discussion and Q&A session with expert fraud examiners covering their practice, experience and trends they are observing in the field of fraud and schemes currently in vogue.

Workshop 12 Title: Foundations of a Successful Investigation **Speaker:** Chrissie Powers, P.D. Eye Forensics, LLC

Description: This presentation is designed to assist forensic accountants and examiners discussing basic skills required and investigative steps used in an investigation. Discussion will include how to handle an allegation, plan the investigation, discuss the investigative phase and identify investigative team members and their roles.

Workshop 13 Title: Construction Fraud: A Case Study **Speaker:** Stephen Nelder, Managing Director, Fraud Solutions, LLC

Description: In this presentation you will learn some of the actual techniques used to detect the fraud, investigate the fraud, and refer the matter to law enforcement. Construction fraud is one of the most difficult types of fraud to document since it often involves collusion. Over \$2 million of fraudulent activity was documented and referred to the FBI for prosecution, which resulted in sentencing and a prison term.

Workshop 14 Title: Money Laundering **Speaker:** Robert Smith, Assistant Legal Counsel, Ohio Auditor of State's Office

Description: To the uninitiated, money laundering is a sophisticated crime involving the transfer of funds to off-shore bank accounts and the use of multi-national shell companies. In fact, money laundering occurs whenever there is a financial crime. This session will discuss the elements of money laundering and review specific instances of how ordinary financial crimes can be effectively charged as money laundering violations.

Workshop 15 Title: You Sent What Where? Taking the Mystery Out of Western Union, Moneygram, and Other Money Transfer Systems **Speaker:** Jonathan Blanton, Principal Assistant Attorney General, Consumer Protection Section, Ohio Attorney General's Office

Description: Investigating an internet-based fraud requires understanding how money is transferred between individuals in the digital age. Scammers are using Western Union, Moneygram, Moneypack, mules, and mail drop boxes to hide their tracks. However, there is hope. If you understand where to go and what to ask for, all it takes to bust scammers is good, old-fashioned legwork and a little bit of luck. This session will provide an overview of how money transfer services operate, what you need to ask for when investigating a fraud case involving them, and how to take the next step to track the real criminals down.

Workshop Descriptions Day 2

Workshop 16 Title: Cleveland Academy of Math, Science and Technology - A Case Study in Fraud **Speaker:** Richard Blake, Bricker & Eckler

Description: In 2002, the Reverend Mark Olds established a charter school in Cleveland named the Cleveland Academy of Math, Science and Technology. The stated purpose of the school was to educate inner city children not receiving adequate education in the public school system. The results of an audit by the State of Ohio Auditor's Office, however, triggered a federal investigation by the Department of Justice and Internal Revenue Service. That investigation resulted in criminal charges being filed against a number of people, including Rev. Olds, charging him with fraud. Rev. Olds was convicted in 2007 of stealing \$1.4 million in government funds by inflating the number of students actually attending the school. This presentation will walk through the investigation and provide a case study in what proved to be a successful prosecution.

Workshop 17 Title: Utilizing Analytical Products to Enhance Your Case **Speaker:** Chrissie Ross, Criminal Intelligence Analyst, Bureau of Criminal Investigation, Ohio Attorney General's Office

Description: This presentation will review several cases and show how BCI's Criminal Intelligence Unit assisted with the use of different types of analytical products for successful prosecution.

Workshop 18 Title: The BCI Teamwork Approach to Financial Investigations **Speaker:** Allan Buxton, Computer Forensic Specialist, Arvin Clar, Special Agent, Leo Fernandez, Forensic Accountant, Leo Palaibis, Forensic Accountant, Chuck Thomas, Criminal Intelligence Analyst, Bureau of Criminal Investigation, Ohio Attorney General's Office

Description: This presentation will show BCI's collaborative approach to financial investigations. By utilizing the expertise of Special Agents, Forensic Accountants, Criminal Intelligence Analysts and Computer Forensic Specialists, BCI integrates traditional investigative steps with a forensic financial analysis to provide local law enforcement and prosecutors with a full service financial investigation.

Workshop 19 Title: Role of the Accountants as an Expert Witness **Speaker:** John Davis, President, Davis & Company, CPA's, Inc

Description: Accountants are becoming increasingly important in litigation that involves complex financial matters. You may be called upon as a fact witness, or be retained as an expert witness to help prove or defend a case. This class will provide an overview as to the role an accountant will play as a fact witness, an expert witness or an outside consulting accountant.

Workshop 20 Title: Ethics in Government: A Case Study on Cuyahoga County **Speaker:** Greg Curtis, FBI Special Agent

Description: Not available at this time.

Workshop 21 Title: Gang Fraud **Speaker:** Detective Craig Catlin, Gang Unit Detective, North Miami Beach Police Department

Description: This course reviews the types of frauds street gangs are conducting including but not limited to re-encoded credit cards, account takeovers and Tax Refund fraud. The course reviews the steps taken to prosecute these investigations with examples of past investigations.

Workshop 22 Title: Financial Exploitation of the Elderly **Speaker:** David Kessler, Protecting the Elderly

Description: Exploiting our elderly out of their lifelong savings and property is far more than stealing material items; it goes deeper. It is the *THEFT OF THEIR DIGNITY*. This presentation will allow the audience to hear from the victims and how these crimes have impacted their lives and also from the predators who victimize and how they located and exploited America's senior citizens. The RED FLAG warning signs that are almost always present but overlooked by the family, friends, and business associates of the elderly victim will be discussed to bring quicker awareness to the victimization. How to handle the problem once it is exposed and where to go for assistance is a major topic of the training.

Workshop Descriptions Day 2 *(continued)*

Workshop 23 Title: Not for Profit Fraud **Speaker:** Lewis Baum, Director, SS&G, Inc.

Description: This session will explore some of the root causes for occupational fraud and examine the most common fraud schemes that occur at nonprofits. We will also discuss deterrence measures organizations can take to protect themselves and what you should do when fraud is suspected.

Workshop 24 Title: Legal Issues from the Frontlines **Speaker:** Doug Squires, Assistant US Attorney

Description: The legal landscape of fraud and other white-collar cases is rapidly evolving. This course examines the latest and greatest ways to investigate and prove your case. The updates will fill the investigators toolbox in preparation for searches, cooperators and trial preparation for several types of crimes. Defenses will be debunked and examples of winning and losing cases will be explored.

Workshop 25 Title: Public Corruption and Fraud and Their Impact on Current Economic Trends **Speaker:** Richard Blake, Bricker & Eckler

Description: The ongoing public corruption investigation in Cuyahoga County and other corruption cases have had a significant impact on local governments and agencies. From contract solicitations to ethics policies, public officials are more cautious in the manner in which they conduct public business. Investigators and prosecutors have relied on a number of investigative techniques to make their cases, including the use of audit information generated by internal and outside parties. This presentation will discuss how these cases were investigated, their impact on the region, and steps people can take to avoid future problems.

Workshop 26 Title: RICO Today **Speaker:** Jeff Sefton, J.D., LL.M, Professor, Franklin University

Description: This workshop provides a brief historical overview of the Racketeer Influenced and Corrupt Organizations (RICO) Act, its initial purpose, and how its scope of use has expanded since its inception. Particular attention is paid to how this legislation can be leveraged to support and enhance convictions in many types of fraud cases.

Workshop 27 Title: Insurance Fraud Investigations **Speaker:** Marc Lovrak, Special Investigations Unit/Corporate Claims Manager, State Auto; William O. Krekstein, Partner, Nelson Levine de Luca & Horst, LLC

Description: A look at some of the techniques and challenges to effective insurance fraud investigations. Discussion will include the use of social networking during an investigation, investigative challenges when a policyholder has no bank accounts or credit cards, and the use of judicial estoppel during an insurance claim investigation. This workshop will also include a look at some current trends in insurance fraud (e.g., inventory dumping before a loss, sophisticated staged accident organizations).

Workshop 28 Title: Data Mining: Finding the Needle in the Haystack **Speaker:** Albert Macso, Supervisor - Forensic and Valuation Services, BCG & Company

Description: This session will provide an introduction to the concepts and applications of computer assisted auditing techniques (CAAT). Attendees can expect to learn the benefits of data analysis software, the general functions it can perform, and several applications to financial statement audits and fraud examinations. The session will provide a summary of Benford's Law. The session will also briefly cover the limitations of data analysis software and what to avoid in performing data analysis.

Workshop 29 Title: Integrating New and Old Investigative Techniques into Effective Trial Evidence. **Speaker:** Bill Greene, Senior Assistant Attorney General; Joe Joseph, Medicaid Special Agent Supervisor; Jason Helmandollar, Medicaid Special Agent Supervisor, Ohio Attorney General's Office

Description: High tech analysis of larger, more expansive, databases enhances the investigation, leading to indictments and convictions that old school techniques alone may not achieve. Specific topics will include discussions of the use of advanced queries of large data set to enhance investigations, and how integration of high tech tools with old school investigation methods yields better investigation results. The thought processes behind presenting investigation results in the high tech courtroom, without forsaking old school presentation methods, will be discussed.

Workshop 30 Title: State of the Threat: A High Level Look at the Threatscape **Speaker:** Phil Grimes, Security Analyst, MicroSolved

Description: In a discussion focused on the current activities and methods of attackers today, explore the current threatscape and the direction in which it's heading. Understand the tactics and motivations behind the most common and effective attacks being launched today. Walk away with a grasp on the importance of a solid, comprehensive security plan as well as understanding why the attacks are possible and what steps should be done to prevent them. This session is a high level non-technical session intended for audiences of all ranges with interest in the current State of the Threat.